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NEWS RELEASE

February 13, 2008

Order Entered in “Advance Fee” Lending Fraud, \$500,000 Fine Imposed ***Canrose Refining took \$130,000 in fees from investors, promising low-interest loans ...***

SALT LAKE CITY, Utah – Canrose Refining of Arizona, Inc., and its owner, Michael D. Ostler, of Cedar Hills, were ordered today to cease and desist violating the securities laws and to pay \$500,000 in fines. The default order was entered by the Utah Division of Securities after Canrose and Ostler failed to defend themselves in the Division’s enforcement action.

On October 11, 2007, the Division filed administrative charges against Canrose and Ostler, alleging they had engaged in securities fraud when selling advance fee programs to investors. They took \$130,000 from four investors in 2003 based on promises that Ostler and Canrose would get investors millions of dollars in funding via “letters of credit” issued by an unnamed European bank. For an up-front fee of \$15,000, investors were promised letters of credit for \$2.5 million. One investor was later told that an additional \$5,000 would result in a second letter of credit for \$8.3 million. Investors never received the promised letters of credit and did not receive refunds of their fees.

Ostler told investors Canrose was in the gold mining business and had a business partner, Louis Bilhete, that was a multi-billionaire and an expert in letters of credit. Ostler claimed his father, brother, and friends were using letters of credit and that letters of credit to other investors had already funded. One of the investors was a 73-year-old widow who lived on a fixed income. Her investment was made from a \$40,000 home equity loan urged by Ostler.

The money raised from investors was used for Ostler’s personal expenses including over \$14,600 spent on gas, travel, and food, \$17,100 withdrawn as cash, \$3,300 paying utility bills, \$17,000 on payments to relatives or transfers to other accounts, and \$10,000 paid to a car dealership.

The order finds that Canrose and Ostler engaged in securities fraud by falsely promising the investors would receive a letter of credit, stating that Ostler had a multi-billionaire partner, and that other loans had funded. Investors were not told that Ostler had filed for bankruptcy twice in the prior two years and had outstanding judgments against him totaling more than \$300,000.

Separately, the Utah Attorney General filed criminal charges against Ostler on October 15, 2007 for his role in the advance fee scheme. Those charges are still pending.